DORE HOLDINGS LIMITED

多金控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 628)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The board of directors (the "Board") of Dore Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009 together with the comparative figures. The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

	Notes	For the six months ended 30 September **2009** **HK$'000** **(Unaudited)**	2008 HK$'000 (Unaudited)
Turnover	3	**263,221**	195,620
Cost of sales		**–**	–
Gross profit		**263,221**	195,620
Other revenue	4	**4**	14
Excess of acquirer's interest in fair value of acquiree's identifiable net assets over cost	6	**192,825**	–
Administrative expenses		**(4,431)**	(8,552)
Equity-settled share-based payments		**(2,553)**	–
Fair value changes on investment property		**–**	(540)
Fair value changes on financial assets at fair value through profit or loss		**27,465**	(28,726)
Fair value changes on derivative financial instruments		**6,681**	(24,695)
Loss on disposal of subsidiaries, net	13	**(16,257)**	–
Loss on early repayment of promissory notes		**(337)**	–
Loss on cancellation of promissory notes		**(67,714)**	–
Loss on cancellation of convertible bonds		**(122,698)**	(5,933)
Loss on early redemption of convertible bonds		**–**	(21,524)
Impairment loss recognised in respect of intangible assets	11	**(777,803)**	(882,041)
Impairment loss recognised in respect of goodwill		**(46,270)**	(153,216)
Loss from operations	5	**(547,867)**	(929,593)
Finance costs	7	**(86,701)**	(37,573)
Loss before taxation		**(634,568)**	(967,166)
Taxation	8	**2,745**	8,830
Loss for the period		**(631,823)**	(958,336)
Attributable to:			
Owners of the Company		**(631,823)**	(958,336)
Loss per share			
– Basic and diluted	10	**(HK2.04) cents**	(HK5.74) cents

* *for identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss for the period	**(631,823)**	(958,336)
Total comprehensive income for the period, net of tax	**(631,823)**	(958,336)
Attributable to:		
Owners of the Company	**(631,823)**	(958,336)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	Notes	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**660**	1,424
Intangible assets	11	**811,605**	2,098,869
Goodwill		**–**	428,883
		812,265	2,529,176
Current assets			
Accounts receivable	12	**29,206**	51,036
Deposits and other receivables		**4,171**	386
Financial assets at fair value through profit or loss		**44,988**	53,589
Derivative financial instruments		**27,440**	34,421
Cash and bank balances		**247,040**	51,014
		352,845	190,446
Less: Current liabilities			
Other payables and accruals		**20,068**	79,053
Tax payable		**–**	180
		20,068	79,233
Net current assets		**332,777**	111,213
Total assets less current liabilities		**1,145,042**	2,640,389
Less: Non-current liabilities			
Loan from a shareholder		**–**	130,000
Promissory notes – due after one year		**91,550**	502,567
Convertible bonds – due after one year		**672,396**	1,053,053
Deferred tax liabilities		**73,398**	113,507
		837,344	1,799,127
Net assets		**307,698**	841,262
Capital and reserves			
Share capital		**9,286**	328,658
Reserves		**298,412**	512,604
Equity attributable to owners of the Company		**307,698**	841,262

Notes:

1. **Basis of Preparation**

   These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of Appendix 16 the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

2. **Summary of Significant Accounting Policies**

   The unaudited condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair values.

   The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those applied in the Group's annual financial statements for the year ended 31 March 2009, except for the impact of the adoption of the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards and interpretations described below.

   In the current interim period, the Group has applied for the first time, the following new amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 April 2009.

HKFRSs (Amendments)	Improvement to HKFRSs
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfer of Assets from Customers

   The adoption of the new HKFRSs had no material effect on how the results and financial positions for the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

Impact of new and revised HKFRSs not yet effective

HKFRSs (Amendments)	Improvements to HKFRSs issued in October 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in May 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 (Amendment)	Financial Instruments: Presentation[5]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adoptions[6]
HKFRS 2 (Amendment)	Group Cash-Settled Share Based Payments Transactions[4]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 9	Financial instruments[7]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[3]

1 Amendment to HKFRS 5 effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2010 except for the amendment to HKAS 38, HKFRS 2, HK(IFRIC)-Int 9 and HK(IFRIC) - Int 16, which are effective for annual periods beginning on or after 1 July 2009.

3 Effective for annual periods beginning on or after 1 July 2009

4 Effective for annual periods beginning on or after 1 January 2010

5 Effective for annual periods beginning on or after 1 February 2010

6 Effective for annual periods beginning on or after 1 January 2011

7 Effective for annual periods beginning on or after 1 January 2013

The management is in the process of making an assessment of the impact of these new standards, amendments and interpretations to existing standards. The directors of the Company so far has concluded that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Turnover and Segment Information

(a) Business segments

The Group currently operates in one business segment in the gaming and entertainment segment receives profit streams from gaming and entertainment related business. A single management team reports to chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segments.

(b) Geographical segments

The Group's all revenue and over 90% of the assets were derived from operations in Macau and accordingly, no detailed analysis of the Group's geographical segments is disclosed.

4. Other Revenue

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest income	**4**	14

5. Loss From Operations

The Group's loss from operations is arrived at after charging:

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Depreciation	**243**	243
Minimum lease payments under operating leases in respect of land and buildings	**549**	475
Loss on disposal of property, plant and equipment	**22**	–
Loss on disposal of subsidiaries, net (note 13)	**16,257**	–
Impairment loss recognised in respect of goodwill	**46,270**	153,216
Impairment loss recognised in respect of intangible assets (Note 11)	**777,803**	882,041
Staff costs (excluding directors' remuneration)		
Salaries and wages	**729**	2,203
Pension scheme contribution	**12**	28
Equity-settled share-based payments		
– employees	**980**	–
– consultants	**1,573**	–
	2,553	–

6. Excess of Acquirer's Interest in Fair Value of Acquiree's Identifiable Net Assets Over Cost

Pursuant to the Nove Profit Agreement and Joli Profit Agreement, Mr. Chen Yi Ming ("Mr. Chen") and Mr. Sin Chun Shing ("Mr. Sin") have provided certain profit guarantee over the profits sharing with Triple Gain Group Limited ("Triple Gain") and East & West International Inc. ("East & West") and Pacific Force Inc. ("Pacific Force"). During the period ended 30 September 2009, the profits sharing to the Group were shortfall of approximately HK$105,256,000 and HK$100,681,000 respectively. In accordance with the terms and conditions of the relevant profit agreements, Mr. Chen and Mr. Sin had agreed to compensate such shortfalls by setting off the outstanding principal amount of the Fourth Convertible Bond of HK$105,256,000 and Fifth Convertible Bonds on HK$470,182,000 respectively.

In relation to such compensation, an adjustment was made to the consideration for the acquisitions of Triple Gain, East & West and Pacific Force. As at 30 September 2009, the carrying amounts of goodwill arisen from these acquisitions have been adjusted by HK$382,613,000. The amount of approximately HK$192,825,000 represents the residual amount which was charged to the income statement during the period ended 30 September 2009.

7. Finance Costs

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Effective interest on promissory notes not wholly repayable within five years	**12,061**	17,828
Effective interest on promissory notes wholly repayable within five years	**701**	912
Effective interest on convertible bonds not wholly repayable within five years	**73,939**	18,833
	86,701	37,573

8. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising from Hong Kong during the period. The Group has no assessable profit under Hong Kong profits tax for the six months ended 30 September 2009 and 2008. The Group is not subject to any tax in Macau.

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Current taxation		
Credit for the period		
– Hong Kong	**–**	–
Deferred tax liabilities		
Convertible bonds	**2,745**	8,741
Revaluation of properties	**–**	89
Total tax credited for the period	**2,745**	8,830

9. Dividends

On 14 July 2009, the directors declared the payment of a final dividend of HK2 cents per share for the year ended 31 March 2009. The directors have not proposed any interim dividend for the six months ended 30 September 2009 (at 30 September 2008: Nil).

10. Loss Per Share

Basic loss per share

The calculation of the basic loss per share attributable to the equity holders of the Company is based on the following data:

	For the six months ended 30 September	
	2009	2008
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to equity holders of the Company for the purpose of basic loss per share	**(631,823)**	(958,336)
	'000	'000
		(restated)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**30,922,401**	16,683,260

Diluted loss per share

Diluted loss per share for the six months ended 30 September 2009 and 2008 were the same as the basic loss per share. The Company's outstanding convertible bonds and share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding convertible bonds and share options were anti-dilutive.

11. Intangible Assets

	Rights in sharing of profit streams HK$'000
Cost	
At 1 April 2009	3,883,731
Disposal of subsidiaries	(1,205,030)
At 30 September 2009	2,678,701
Accumulated impairment	
At 1 April 2009	1,784,862
Eliminated on disposal	(695,569)
Impairment loss recognised for the period (Note 5)	777,803
At 30 September 2009	1,867,096
Carrying amount	
At 30 September 2009 (Unaudited)	**811,605**
At 31 March 2009 (Audited)	2,098,869

Details of intangible assets are as follows:

	Sat Ieng Profit Agreement HK$'000	Dore Profit Agreement HK$'000	Nove Profit Agreement HK$'000	Joli Profit Agreement HK$'000	Total HK$'000
At 1 April 2009	249,636	259,825	405,984	1,183,424	2,098,869
Disposal of subsidiaries	(249,636)	(259,825)	–	–	(509,461)
Impairment loss recognised for the period	–	–	(48,575)	(729,228)	(777,803)
At 30 September 2009	**–**	**–**	**357,409**	**454,196**	**811,605**

Note:

(i) The intangible assets represent the rights in sharing of profit streams, from junket business at the casinos' VIP rooms in Macau for an indefinite period of time. Such intangible assets are carried at cost less accumulated impairment losses.

(ii) Amount of approximately HK$509,461,000 represents the adjustments in relation to the disposal of Worth Perfect on 15 July 2009. Please refer to Note 13(a) for details.

Impairment loss in respect of intangible assets of approximately HK$777,803,000 was recognised during the six months ended 30 September 2009 (at 31 March 2009: HK$1,006,584,000) by reference to the valuation report issued by Grant Sherman Appraisal Limited ("Grant Sherman"), independent qualified professional valuers, at 30 September 2009 which valued the intangible assets on discounted cash flow method. The main factor contributing to the impairment was due to the decline in the future expectation over the profit sharing on the Nove Profit Agreement and Joli Profit Agreement.

The junket licences associated with the rights in sharing of profit streams is renewable annually by the Macau Government. The directors of the Company are not aware of any expected impediment with respect to the renewal of licences and consider that the possibility of failing in licence renewal is remote. Therefore, the directors of the Company consider that the intangible assets are treated as having indefinite useful lives.

12. Accounts Receivable

The Group's trading terms with its customers are mainly on credit. The credit terms are generally for a period of 30 days. The Group receives the profit streams from its acquiree companies within 15 days of the subsequent month. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed by senior management regularly.

An aged analysis of the Group's accounts receivable as at the balance sheet date, based on invoice date, is as follows:

	At 30 September 2009 HK$'000 (Unaudited)	At 31 March 2009 HK$'000 (Audited)
Within 30 days	**29,206**	51,036

Included in the Group's accounts receivable balance, no debtors are past due at the date of approval of these financial statements (at 31 March 2009: Nil). The Group does not hold any collateral over these balances.

13. Disposal of Subsidiaries

For the six months ended 30 September 2009

(a) On 23 March 2009, Team Jade entered into a conditional sale and purchase agreement with Rich Game Capital Inc. ("Rich Game") to sell (i) the entire issued share capital of Richsense; (ii) the entire issued share capital of Youngrich. The completion date was on 15 July 2009. The main assets of Youngrich and Richsense are their 49% and 51% equity interest in Worth Perfect respectively. The main asset of Worth Perfect is the Sat Ieng Profit Agreement and Dore Profit Agreement. The consideration is satisfied by cash and offset against the outstanding principal amount of First Promissory Notes, Third Promissory Notes, First Convertible Bond and Second Convertible Bond.

The net assets at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Cash and bank balances	2
Deposit and other receivable	7
Right in sharing of profit streams	509,461
	509,470
Gain on cancellation of convertible bonds	6,083
Loss on cancellation of promissory notes	(67,714)
Loss on disposal of subsidiaries	(16,437)
Total consideration	431,402
Satisfied by:	
Cash	16,555
Carrying amount of promissory notes	376,886
Carrying amount of convertible bonds	37,961
	431,402
Net cash inflow arising on disposal:	
Cash consideration	16,555
Cash and bank balances disposed	(2)
	16,553

(b) On 30 September 2009, the Group entered into sale and purchases agreement to dispose of its 100% equity interest in Giant Gold Investments Limited ("Giant Gold") and 100% equity interest in MFT Epping Trading Limited ("MFT Epping) to an independent third party for cash consideration of HK$100. MFT Epping is the wholly-owned subsidiary of Giant Gold (collectively "Giant Gold Group"). The principle activity of Giant Gold is investment holding and MFT Epping is trading of timber logs.

    The main liability of Giant Gold Group is the tax payable of HK$180,260. Therefore, there is a gain on disposal of HK$180,360.

For the year ended 31 March 2009
On 10 March 2009, the Group entered into sale and purchases agreement to dispose of its 100% equity interest in Triple Triumphe (International) Co., Ltd. ("Triple Triumphe") and Peppy Score Group Limited ("Peppy Score") to an independent third party for cash consideration of HK$10,000,000. Both Triple Triumphe and Peppy Score are an investment holding company.

Triumph Bright International Limited ("Triumph Bright") is owned as to 50% and 50% by Triple Triumphe and Peppy Score respectively. The main asset of Triumph Bright is a piece of leasehold land in Hong Kong.

The net assets at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Investment property	10,760
Deferred tax liabilities	(92)
	10,668
Loss on disposal of subsidiaries	(668)
Total consideration, satisfied by cash	10,000
Net cash inflow arising on disposal	10,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The first half of the fiscal 2009/10, in line with the other players in Macau gaming sector is disappointing comparing with the first half of 2008/09 due to a number of factors, which include (1) financial crisis, resulting in a substantial slowing in global economy. This being said, the Las Vegas Sands Group has even had to suspend its construction of Phases 5 and 6, (2) the reduction in credit availability as well as (3) further visa restrictions imposed by the People's Republic of China (the "PRC") government. Beginning 1 August 2008, (a) Chinese passport holder who enters Macau with an "in-transit" arrangement will be allowed a maximum of seven days of stay, down from 14; and if the "intended trip" has not been made pursuant to the in-transit arrangement, a maximum of two days of stay will be granted upon the second entry to Macau, and the third entry will be declined; and (b) mainland visitors with a Hong Kong but not a Macau visa were no longer granted entry to Macau via boarding a ferry from Hong Kong.

In fact, the VIP rolling turnover of Macau casinos as a whole has dropped on a year to year comparison basis to the year of 2008/09 with the exception of September 2009.

The apparently better result of the Group for the first half of 2009/10 vis-à-vis 2008/09 is just a result of the additional acquisition of junket, i.e. Joli, during the second half of 2008/09 fiscal year. If an apple is compared with an apple, the rolling turnover of the junket partners dropped. As a result, the junkets cannot meet their obligations under their respective profit guarantee and a further provision in impairments is required.

FINANCIAL REVIEW

During the period ended 30 September 2009, the Group was engaged in two business streams: (i) gaming and entertainment sector; and (ii) trading sector. In view of the poor market conditions of the trading sector, the Group focuses on the gaming and entertainment business in the years to come while still keeps an eye on chasing after profitable business.

The turnover of the Group for the first half amounted to HK$263,221,000, representing a 34.56% increase over the corresponding figure of HK$195,620,000 in 2008. The Group's turnover was significantly higher than that of last year due to the acquisition of an additional junket.

Similar to 2008, as the Group's revenue is derived from the sharing of profit streams from investments in gaming and entertainment related business in Macau, there is no cost directly associated with it and hence, no cost of sales has been recorded. Gross margin is 100% (2008: 100%). The Group's operating cost is restricted to administrative expenses.

Administrative expenses amounted to HK$4,431,000 for the six months ended 30 September 2009, a 48.19% decrease from HK$8,552,000 for the same period last year. The decrease was mainly attributable to the salaries and the expenses relating to the promotion, traveling and publicity role.

For the six months ended 30 September 2009, finance costs amounted to HK$86,701,000, an 130.75% increase as compared to HK$37,573,000 for the same period last year. The increase was attributable to the interest arisen as a result of the convertible bonds and the promissory notes issued for the acquisition of several subsidiaries. Apart from these, the Group had no other debt. If these are excluded, the Group would have a net cash position and a bank interest income of HK$4,000 has been recorded.

Even though there is a positive contribution of profit streams from various junkets acquired, the Group's net figure still resulted in a net loss position of approximately HK$631,823,000, as compared to the net loss of approximately HK$958,336,000 for 2008. Similar to the annual result of 2008/09, the net loss was a result of non-cash impairment – a net profit before non-cash items of approximately HK$261,539,000 is a better reflection of the Group's actual operation result. The ultimate loss is a result of the impairment losses due to the inability to achieve the sales forecast and the downturn in Macau gaming sector.

As there is a general drop in rolling turnover generated by VIPs during the period and the inability to achieve the sales forecast by our business partners, the Group recognized impairment losses in respect of the Nove Profit Agreement and Joli Profit Agreement of approximately HK$48.58 million and HK$729.23 million respectively.

Six-months period ended 30 September 2009:

		HK$'000
Net loss per interim report		(631,823)
Adjusted for	non-cash items	
	Change in fair value of net assets over cost	(192,825)
	Equity-settled share-based payments	2,553
	Fair value changes on financial assets at fair value through profit or loss	(27,465)
	Fair value changes on derivative financial instruments	(6,681)
	Loss on disposal of subsidiaries	16,257
	Early repayment of promissory notes	337
	Cancellation of promissory notes	67,714
	Cancellation of convertible bonds	122,698
	Impairment of intangible assets	777,803
	Impairment of goodwill	46,270
	Notional interest cost convertible bonds and promissory notes	86,701
Profit after striping out non-cash item		**261,539**

Basic and diluted loss per share for the six-month period were HK2.04 cents (2008: basic and diluted loss per share of HK5.74 cents).

LIQUIDITY AND FINANCIAL RESOURCES

During the period ended 30 September 2009, the Group funded its operation mainly through an equity financing, including issuance of new shares and contribution from its investee company. Financial position of the Group has remained reasonable during the period. During the period ended 30 September 2009, total assets of the Group were approximately HK$1,165.1 million (at 31 March 2009: HK$2,719.6 million) which were financed by shareholders' funds of approximately HK$307.7 million (at 31 March 2009: HK$841.3 million), current liabilities of approximately HK$20.1 million (at 31 March 2009: HK$79.2 million) and non-current liabilities of approximately HK$837.3 million (at 31 March 2009: HK$1,799.1 million).

Equity attributable to owners of the Company at 30 September 2009 amounted to HK$ 307,698,000 (at 31 March 2009: HK$841,262,000.) The decrease was mainly attributable to the impairments of intangible assets and goodwill due to our business markets' recession.

At 30 September 2009, the cash and cash equivalents of the Group amounted to approximately HK$247,040,000 (at 31 March 2009: HK$51,014,000) and the Group's current ratio was 17.58 (at 31 March 2009: 2.40, at 30 September 2008: 2.60).

At 30 September 2009, the non-current liabilities of the Group amounted to HK$837,344,000, representing the convertible bonds and promissory notes issued for acquiring several subsidiaries and deferred tax liabilities.

Capital Structure

As a result of the Company's capital re-organisation effective on 15 July 2009, each of the authorised but unissued shares of HK$1.00 each was subdivided into 100 new shares of HK$0.01 each, and the nominal value of each of the issued shares of HK$1.00 each was reduced to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.99 on each issued share.

After capital re-organisation, the Company issued 300,000,000 new shares in July 2009 at HK$0.30 per share and 300,000,000 new shares in August 2009 at HK$0.30 per share, being the placing during the period from 1 April 2009 to 30 September 2009.

Borrowings

At 30 September 2009, the Group's borrowings amounted to HK$784.01 million which includes promissory notes and convertible bonds. The Group's gearing ratio as at 30 September 2009, expressed as a percentage of total borrowings over total equity was 2.55 (at 31 March 2009: 2.10, at 30 September 2008: 2.46).

Charges on Group Assets

At 30 September 2009, none of the Group's assets was pledged to any financial institution for facilities (at 30 September 2008: Nil).

Contingent Liabilities

At 30 September 2009, the Group had no contingent liabilities (at 30 September 2008: Nil).

Foreign Exchange Exposure

The Group continues to adopt a conservative treasury policy with all bank deposits in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks. As a majority of the inflow and outflow is denominated in Hong Kong dollars, the Group has not adopted any hedging policy or entered into any derivative products which are considered not necessary for the Group's treasury management activities.

Employees

At 30 September 2009, the Group has a total of 5 employees (2008: 8 employees). The decrease in the number of employees was due to optimisation of our operation. Total staff costs (including directors' emoluments) during the period amounted to HK$1.3 million (2008: HK$2.4 million).

Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the remuneration committee and the Board of the Company on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual performance evaluation. The Group has also implemented a share option scheme to reward eligible employees (including executive Directors) according to their individual performance. During the period, certain eligible employees of the Group were granted options under the share option scheme of the Company.

PROSPECTS

Looking ahead, with the overall worldwide economic recession,

(a) our customers have to place more emphasis on their existing business, and

(b) there is a delay in the construction of additional resort facilities.

We currently are exposed to three board types of risks.

Firstly, policy changes, both in mainland China and Macau and this may have negative consequences, specifically relating to travel policy, infrastructure development, tax rates, and other regulated aspects of the gaming industry, such as commission cap. The publishing on 10 August 2009 by the Macau government in its official gazette an amendment to an executive regulation that would enable the Financial Secretary to set a cap for junket commission in Macau has resulting in an uncertainty. This is because the complexity of establishing rules that cover all manner of payment to junkets, as well as the difficulty of monitoring more than a hundred individual arrangements in the market place could make implementation difficult. However, no one can predicts the exact mean until the new chief executive of Macau, Dr. Fernando Chui in place. Moreover, though in late August 2009, Macau media reports suggested that the minimum interval between two successive visas has been shortened, and a person can apply for a visa once a month, this has been clarified by an official from the Division of Exit and Entry Administration Department of Public Security of Guangdong Province in mid-October that visa restriction of "one visit every two months" has never been officially relaxed, although selectively some people were able to visit Macau more than once every two months. Nonetheless, Dr. Chui has made it clear that Macau needs to diversify away from gambling and should push forward to develop its MICE (meeting, incentive, convention and exhibition) industry or less "incentives" would be granted to gambling related activities.

Secondly, the VIP gaming is a credit-based business and exposed to volatility of the economic cycle in Greater China and changes in liquidity conditions. Moreover, one of the key characteristics of the VIP gaming segment is that the majority of the business volume is easily shifted from one property to another as junkets and sub-junkets move business around the different properties depending on commercial terms offered by the casino operators.

Thirdly, the opening of the two integrated resorts in the first half of year 2010 in Singapore which has a lower tax rate, or potentially, allow junkets to pay a higher commission rate in luring customers means an increase in regional competition.

As such, outlook for the future of Macau gaming sector is not that positive.

The Group has, hence, prepared for this through

(1) adopting the prudent policy;

(2) remain focusing on improving operational efficiencies; and

(3) identifying suitable projects and/or investments that would be reasonably expected to generate profits and/or have potential for capital appreciation.

As such, material capital expenditure may be incurred in meeting its short, medium and long term growth strategy in the coming years. Though the Group expect the respective projects to secure required funding themselves using different financing options available, it would be difficult in the current market sentiment. Hence, the Board presumes that the short term financing of these potential acquisitions, if any, would basically be from internal cash on hand. The Board would not preclude possibility of justified investment that would ensure the continuous success of the Group in particular when the price is reasonable.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING RULES

INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND SHARE OPTIONS

At 30 September 2009, the interests of the directors and chief executive of the Company in the shares and share options of the Company, as recorded in the register (the "Register of Interests") maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long position:

(a) Ordinary shares of HK$0.01 each of the Company

Name	Capacity	Interest in shares	Interest in underlying shares	Total interest	Percentage of the issued share capital of the Company
Leung Wai Man	Beneficial owner	Nil	9,280,000	9,280,000	0.99%
Yao Wai Kwok Daniel	Beneficial owner	Nil	9,280,000	9,280,000	0.99%

(b) Share options

Name	Capacity	Number of options held	Number of underlying shares
Leung Wai Man	Beneficial owner	9,280,000	9,280,000
Yao Wai Kwok Daniel	Beneficial owner	9,280,000	9,280,000

Other than as disclosed above, neither the directors nor the chief executive, nor any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2009.

SHARE OPTION SCHEME

The Company adopted its share option scheme on 6 July 2002. The principal terms of the share option scheme were disclosed in the Company's 2009 annual report. Details of movements in the Company's share options during the six months ended 30 September 2009 are set out as follows:

Participants	Share Option type	Number of share options: Outstanding at 1 April 2009 '000	Granted during the period '000	Exercised during the period '000	Forfeited during the period '000	Expired during the period '000	Outstanding at 30 September 2009 '000	Date of grant of share option	Exercise period of share option	Exercise price of share option HK$ per share	Fair value at grant date HK$ per share	Closing price of the Company's shares immediately before the grant date HK$ per share
Employees	2009A	–	18,560	–	–	–	18,560	13 August 2009	13 August 2009 to 12 August 2010	0.337	0.0528	0.33
Consultants	2009B	–	14,240	–	–	–	14,240	13 August 2009	13 August 2009 to 12 August 2010	0.337	0.1105	0.33
		–	32,800	–	–	–	32,800					

The fair value of the options granted in the current period, measured at the date of grant on 13 August 2009, was approximately HK$2,553,488. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

(1) an expected volatility of 65.11% for 2009A and 99.76% for 2009B;

(2) annual dividends of 5.97% earnings; and

(3) the estimated expected life of the options granted is 52 weeks. The interest rate of the corresponding one-year Hong Kong Exchange Fund Notes at the date of grant was 0.18% for 2009A and 0.23% for 2009B.

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in estimating the fair value of the share options are based on the directors' best estimate. Changes in subjective input assumptions can materially affect the fair value estimate.

The fair value of services received under an equity-settled share-based payment arrangement is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). Details of the accounting policy for equity-settled shared-based payment transactions are set out in the Group's financial statements for the year ended 31 March 2009.

SUBSTANTIAL SHAREHOLDERS

At 30 September 2009, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Notes	**Capacity**	**Interest in shares**	**Interest in underlying shares**	**Total interest**	**Percentage of the issued share capital of the Company**
Multi Fit Investments Limited	1	Beneficial owner	33,600,000	162,509,079	196,109,079	21.12%
Mr. Sin Chun Shing	1	Beneficial owner/ Interest of corporation	33,600,000	171,789,079	205,389,079	22.12%
Mr. Chen Yi-Ming	2	Beneficial owner/ Interest of corporation	17,875,564	114,321,727	132,197,291	14.24%
Power Rush Holdings Limited	2	Beneficial owner/ Interest of corporation	17,875,564	109,361,727	127,237,291	13.70%
Pacific Rainbow Holdings Limited	2	Beneficial owner	12,172,735	105,332,083	117,504,818	12.65%
Mr. So Chi Ming		Beneficial owner	62,000,000	Nil	62,000,000	6.67%

Notes:

1. Multi Fit Investments Limited is wholly owned by Mr. Sin Chun Shing.

2. Pacific Rainbow Holdings Limited is wholly owned by Power Rush Holdings Limited which, in turn, is wholly owned by Mr. Chen Yi-Ming.

Save as disclosed above, at 30 September 2009, no person, other than a director of the Company, whose interest is set out in the section "Directors' Interests in Shares, Underlying Shares and Share Options" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

SUBSEQUENT EVENTS

On 9 November 2009, the Company entered into two conditional sale and purchase agreements relating to a proposed acquisition and a proposed disposal. The proposed acquisition and the proposed disposal constitute a very substantial acquisition and a very substantial disposal for the Company under the Listing Rules, respectively.

As at the date of this announcement, the Company was in the process of preparing an announcement in relation to the proposed acquisition and the proposed disposal and the directors consider that additional time is required for such purposes. The announcement setting out, among others, details of the proposed acquisition and the proposed disposal will be published as and when appropriate.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 September 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company had complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 4 of the Listing Rules during the six months ended 30 September 2009, except for the following deviations:

Code A.2. of CG Code provides, inter alia, that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing. However, the Company does not officially has a position of Chief Executive Officer and the Company still looks for appropriate person to fill the vacancy as Chairman. During the period, Mr. Yao Wai Kwok, Daniel has been assuming the roles of Chief Executive Officer of the Company and the members of the board will share the responsibilities of the role of chairman jointly.

For the time being, the Board intends to maintain this structure as it believes that it would take time to segregate the duties of the two positions and in order to cause minimum disruption to the smooth running of the businesses of the Company. Nonetheless, the Board would review and monitor the situation on a regular basis and would take the necessary actions in due course to comply with this Code requirement.

Code A.4. of CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. Mr. Leung Chi Hung, Mr. Cheung Johnny Yim Kong and Mr. Lee Chan Wah, being the Company's independent non-executive directors, were not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard under the Model Code. Having made specific enquiry of all directors, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code for the six months ended 30 September 2009.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code as set out in Appendix 4 of the Listing Rules. The primary duties of the Audit Committee is for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. These interim financial statements have been reviewed by the audit committee. The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Leung Chi Hung as the Chairman and Mr. Cheung Yim Kong Johnny and Mr. Lee Chan Wah.

The Audit Committee has reviewed the interim report and the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2009 and agreed to the accounting principles and practices adopted by the Company.

BOARD OF DIRECTORS

As at the date of this announcement, the directors of the Company are Mr. Yao Wai Kwok, Daniel and Mr. Leung Wai Man who are executive directors and Mr. Leung Chi Hung, Mr. Cheung Johnny Yim Kong and Mr. Lee Chan Wah who are independent non-executive directors.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our shareholders for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions.

By order of the Board
Yao Wai Kwok, Daniel
Executive Director

Hong Kong, 10 December 2009